

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2003

[] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission File Number 0-13814

CORTLAND BANCORP

(Exact Name of Registrant as Specified in its Charter)

Ohio	34-14511184
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
194 West Main Street, Cortland, Ohio	44410
(Address of principal executive offices)	(Zip Code)

Registrant’s telephone number, including area code: (330) 637-8040

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, no par value
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for shorter periods that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. [X] Yes [] No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (229.405 of the chapter) is not contained herein, and will not be contained, to the best of registrant’s knowledge, in definitive proxy or information statements incorporated by reference in Part III of the Form 10-K or any amendment of this Form 10-K [X].

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). [X] Yes [] No

Based upon the closing price of the registrant’s common stock of June 30, 2003, the aggregate market value of the voting stock held by non-affiliates of the registrant was approximately \$117,914,410. For purposes of this response directors and executive officers are considered the affiliates of the issuer at that date.

The number of shares outstanding of the issuer’s classes of common stocks were as of March 9, 2004: 4,015,933 shares

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Annual Shareholders Report for the year ended December 31, 2003 are incorporated by reference into Parts I II and IV.
Portions of the Proxy Statement for the annual shareholders meeting to be held April 13, 2004 are incorporated by reference into Part III.

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PART I

Item 1. Business

General

THE CORPORATION

Information relating to Item 1 – Business General – THE CORPORATION – is set forth in the Corporation’s 2003 Annual Report to Shareholders, Page 4, Brief Description of the Business and is incorporated herein by reference.

CORTLAND BANKS

Information relating to Item 1 – Business General – CORTLAND BANKS – is set forth in the Corporation’s 2003 Annual Report to Shareholders, Page 4, Brief Description of the Business and is incorporated herein by reference.

NEW RESOURCES LEASING COMPANY

Information relating to Item 1 – Business General – NEW RESOURCES LEASING COMPANY – is set forth in the Corporation’s 2003 Annual Report to Shareholders, Page 4, Brief Description of the Business and is incorporated herein by reference.

SUPERVISION AND REGULATION

Information relating to Item 1 – Business General – SUPERVISION AND REGULATION – is set forth in the Corporation’s 2003 Annual Report to Shareholders, Page 4, Brief Description of the Business and is incorporated herein by reference.

COMPETITION

Information relating to Item 1 – Business General – COMPETITION – is set forth in the Corporation’s 2003 Annual Report to Shareholders, Page 4, Brief Description of the Business and is incorporated herein by reference.

EMPLOYEES

Information relating to Item 1 – Business General – EMPLOYEES – is set forth in the Corporation’s 2003 Annual Report to Shareholders, Page 4, Brief Description of the Business and is incorporated herein by reference

AVAILABLE INFORMATION

The Company files an annual report on Form 10K, quarterly reports on Form 10Q, current reports on Form 8K and amendments to those reports with the Securities and Exchange Commission (SEC) pursuant to Section 13(a) or 15(d) of the Exchange Act. The Company’s Internet address is www.cortland-banks.com. The Company makes available through this address, free of charge, the reports filed, as soon as reasonably practicable after such material is electronically filed, or furnished to, the SEC. The SEC also maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov.

Statistical Disclosure

I. DISTRIBUTION OF ASSETS, LIABILITIES AND SHAREHOLDERS’ EQUITY; INTEREST RATES AND INTEREST DIFFERENTIAL

Information relating to I – Distribution of Assets, Liabilities and Shareholders’ Equity; Interest Rates and Interest Differential is set forth in the Corporation’s 2003 Annual Report to Shareholders under the pages indicated below and is incorporated herein by reference:

	Pages in 2003 Annual Report to Shareholders
A. Average Balance Sheet – December 31, 2003, 2002 and 2001	28 & 29
B. Analysis of Net Interest Earnings – Years ending December 31, 2003, 2002 and 2001	28 & 29
C. Rate and Volume Analysis – 2003 change from 2002 and 2002 change from 2001	34

II. INVESTMENT PORTFOLIO

Information relating to II – Investment Portfolio is set forth in the Corporation’s 2003 Annual Report to Shareholders under the pages indicated below and is incorporated herein by reference:

	Pages in 2003 Annual Report to Shareholders
A. Book value of investments – December 31, 2003, 2002 and 2001	41
B. Summary of securities held – December 31, 2003	41 & 42
C. N/A	

III. LOAN PORTFOLIO (ALL DOMESTIC)

A. TYPES OF LOANS

Information relating to III – Loan Portfolio – A. Types of Loans is set forth in the Corporation’s 2003 Annual Report to Shareholders, Page 38, Loan Portfolio and is incorporated herein by reference.

B. MATURITIES AND SENSITIVITIES OF LOANS TO INTEREST RATES

Information relating to III – Loan Portfolio – B. Maturities and Sensitivities of Loans to Interest Rates is set forth in the Corporation’s 2003 Annual Report to Shareholders, Page 38, Loan Portfolio and is incorporated herein by reference.

C. RISK ELEMENTS

Information relating to III – Loan Portfolio – C. Risk Elements, is set forth in the Corporation’s 2003 Annual Report to Shareholders under the pages indicated below and is incorporated herein by reference:

	Pages in 2003 Annual Report to Shareholders
1. Nonaccrual, Past Due and Restructured Loans	
(1) Aggregate amount in each category (5 years)	33
(2) Interest income	
(i) That would have been recorded	16 & 33
(ii) That was included in income	16 & 33
(3) Policy for placing loans on non-accrual status	11 & 16
2. Potential Problem Loans	16
3.Foreign Outstandings	N/A
4.Loan concentrations over 10% not otherwise disclosed	N/A

D. Other Interest Bearing Assets – N/A

IV. SUMMARY OF LOAN LOSS EXPERIENCE

A. Analysis of the Allowance for Loan Loss

Information relating to IV – Summary of Loan Loss Experience – A. Analysis of the Allowance for Loan Loss is set forth in the Corporation’s 2003 Annual Report to Shareholders, Page 37, Loan Loss Experience and is incorporated herein by reference.

B. Breakdown of the Allowance for Loan Losses

Information relating to IV – Summary of Loan Loss Experience – B. Breakdown of the Allowance for Loan Losses is set forth in the Corporation’s 2003 Annual Report to Shareholders under the pages indicated below and is incorporated herein by reference.

	Pages in 2003 Annual Report to Shareholders
Breakdown of the Allowance for Loan Losses	37
Percentage of loans in each category	37
Loan Commitments and Lines of Credit	18–20 & 48

V. DEPOSITS (ALL DOMESTIC)

A. Average Deposits and Average Rates Paid on Deposit Categories

Information relating to V – Deposits – A. Average Deposits and Rates is set forth in the Corporation’s 2003 Annual Report to Shareholders, Pages 28 & 29, Three Year Summary Average Balance Sheet, Yields and Rates and is incorporated herein by reference.

B. Not applicable

C. Not applicable

D. Summary of Time Deposits of \$100,000 or More

Information relating to V – Deposits – D. Summary of Time Deposits of \$100,000 or More by Maturity Range, is set forth in the Corporation’s 2003 Annual Report to Shareholders, Page 17, Note 6, Deposits and is incorporated herein by reference.

VI. RETURN ON EQUITY AND ASSETS

Information relating to VI – Return on Equity and Assets is set forth in the Corporation’s 2003 Annual Report to Shareholders, page 30, Selected Financial Data and is incorporated herein by reference.

Item 2. Properties

CORTLAND BANCORP'S PROPERTY

Information relating to Item 2 – Properties – is set forth in the Corporation’s 2003 Annual Report to Shareholders, page 4, Brief Description of the Business – CORTLAND BANCORP – and is incorporated herein by reference.

CORTLAND BANKS' PROPERTY

Information relating to Item 2 – Properties – is set forth in the Corporation’s 2003 Annual Report to Shareholders, page 4, Brief Description of the Business, THE CORTLAND SAVINGS AND BANKING COMPANY – and is incorporated herein by reference.

Information relating to Item 2 – Properties – Location of Offices is set forth in the Corporation’s 2003 Annual Report to Shareholders, page 55, Cortland Banks Offices and Locations and is incorporated herein by reference.

Item 3. Legal Proceedings

Information relating to Item 3 – Legal Proceedings – is set forth in the Corporation’s 2003 Annual Report to Shareholders, page 26, Note 16, Litigation and is incorporated herein by reference.

Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

Executive Officers of the Registrant

The names, ages and positions of the executive officers as of March 9, 2004 are as follows:

<u>Name</u>	<u>Age</u>	<u>Position Held</u>
Rodger W. Platt	68	Chairman of the Board, President and Director
Lawrence A. Fantauzzi	56	Senior Vice President, Controller, Secretary, Treasurer and Chief Financial Officer
James M. Gasior	44	Senior Vice President, Chief of Lending and Administration

All of the officers listed above will hold office until the next annual meeting of shareholders and until their successors are duly elected and qualified.

Principal Occupation and Business Experience of Executive Officers

During the past five years the business experience of each of the executive officers has been as follows:

Rodger W. Platt has been Chairman of the Board of Cortland Bancorp and the subsidiary bank since November 1987. He has been a Director and President of Cortland Bancorp since its formation in April of 1985. He has been a Director of the subsidiary bank since 1974 and has been President since 1976.

Lawrence A. Fantauzzi has been the Controller of Cortland Bancorp and the subsidiary bank since April 1987. He became Treasurer and Chief Financial Officer of Cortland Bancorp and the subsidiary bank in December 1992. He became a Director of New Resources Leasing Company in November 1995 and Senior Vice President of the subsidiary bank in April 1996. In February 1999, he was elected Secretary of the Corporation and appointed to the Board of Directors of Cortland Bancorp and the subsidiary bank.

James M. Gasior has been Senior Vice President of Lending and Administration of Cortland Bancorp and its subsidiary bank, since April 1999. He had previously been Senior Vice President and Chief Operations Officer from April 1996 through March 1999, and Vice President and Chief Operations Officer of Cortland Bancorp and subsidiary from June 1993 through March 1996. He became a Director of New Resources Leasing Company in November 1995.

PART II

Information relating to Items 5, 6, 7, 7A and 8 is set forth in the Corporation’s 2003 Annual Report to Shareholders under the pages indicated below and is incorporated herein by reference:

	Pages in 2003 Annual Report to Shareholders
Item 5. <u>Market for Registrant’s Common Equity and Related Shareholder Matters</u>	52
<u>Discussion of Dividend Restrictions</u>	26
Item 6. <u>Selected Financial Data</u>	30
Item 7. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	31-51
Item 7A. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	45-46, 49-50
Item 8. <u>Financial Statements and Accompanying Information</u>	1-30
Item 9. <u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosures</u>	
<u>None.</u>	
Item 9A. <u>Controls and Procedures</u>	

With the participation of management, including the Company’s principal executive officer and principal financial officer, the effectiveness of disclosure controls and procedures (as defined in Rules 13a-15 and 15d-15 of the Securities Exchange Act of 1934 (the “Exchange Act”)) has been evaluated as of the end of the period covered by this report. Based upon that evaluation, the Company’s principal executive officer and principal financial officer have concluded that such disclosure controls and procedures are effective as of the end of the period covered by this report to ensure that material information relating to the Company and its consolidated subsidiaries is made known to them, particularly during the period for which our periodic reports, including this report, are being prepared.

In addition, there were no significant changes during the period covered by this report in the Company’s internal control over financial reporting (as defined in Rules 13a-13 and 15d-15 of the Exchange Act) that have materially affected, or are reasonable likely to materially affect, internal control over financial reporting.

PART III

Item 10. Directors and Executive Officers of the Registrant

Information relating to directors of the Corporation will be set forth in the Corporation's definitive proxy statement to be filed with the Securities and Exchange Commission in connection with its annual meeting of shareholders to be held April 13, 2004. Such information is incorporated herein by reference. Pages 2-9 and 19-20. Information relating to executive officers of the Corporation is set forth in Part I.

Item 11. Executive Compensation

Information relating to this item will be set forth in the Corporation's definitive proxy statement to be filed with the Securities and Exchange Commission in connection with its annual meeting of shareholders to be held April 13, 2004. Such information is incorporated herein by reference. Pages 8-17.

Item 12. Security Ownership of Certain Beneficial Owners and Management

None

Item 13. Certain Relationships and Related Transactions

Information relating to this item will be set forth in the Corporation's definitive proxy statement to be filed with the Securities and Exchange Commission in connection with its annual meeting of shareholders to be held April 13, 2004. Such information is incorporated herein by reference. Pages 4, 6 & 12.

Item 14. Principal Accounting Fees and Service

Information relating to this item will be set forth in the Corporation's definitive proxy statement to be filed with the Securities and Exchange Commission in connection with its annual meeting of shareholders to be held April 13, 2004. Such information is incorporated herein by reference. Pages 20 & 21.

PART IV

Item 15. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) 1. Financial Statements

Included in Part II of this report:

Item 8., Financial Statements and Accompanying Information, is set forth in the Corporation's 2003 Annual Report to Shareholders and is incorporated by reference in Part II of this report.

(a) 2. Financial Statement Schedules

Included in Part IV of this report as Exhibit 23:

Independent Accountants' Consent

Schedules:

All schedules are omitted because they are not applicable.

(a) 3. Exhibits

The exhibits filed or incorporated by reference as a part of this report are listed in the Index to Exhibits which appears at page IV-3 hereof and is incorporated herein by reference.

(b) Report on Form 8-K

Form 8-K was filed with the United States Securities and Exchange Commission, dated November 12, 2003. The 8-K applies to Item 12 — Results of Operations and Financial Condition, per the 8-K instructions, and announced third quarter and year-to-date results for the periods ended September 30, 2003.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CORTLAND BANCORP

March 9, 2004	By	/s/ Rodger W. Platt, President
<hr/>		<hr/>
Date		Rodger W. Platt, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Rodger W. Platt	Chairman of the Board, President and Director (Principal Executive Officer)	March 9 , 2004
<hr/>		<hr/>
Rodger W. Platt		Date
/s/ David C. Cole	Director	March 9 , 2004
<hr/>		<hr/>
David C. Cole		Date
/s/ George E. Gessner	Director	March 9 , 2004
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George E. Gessner		Date
/s/ William A. Hagood	Director	March 9, 2004
<hr/>		<hr/>
William A. Hagood		Date
/s/ James E. Hoffman, III	Director	March 9 , 2004
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James E. Hoffman, III		Date
/s/ Richard B. Thompson	Director	March 9 , 2004
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Richard B. Thompson		Date
/s/ K. Ray Mahan	Director	March 9 , 2004
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K. Ray Mahan		Date
/s/ Timothy K. Woofter	Director	March 9 , 2004
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Timothy K. Woofter		Date
/s/ Lawrence A. Fantauzzi	Senior Vice President, Controller, Secretary, Treasurer and Director (Chief Financial Officer)	March 9 , 2004
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Lawrence A. Fantauzzi		Date
/s/ James M. Gasior	Senior Vice President, Chief of Lending and Administration	March 9 , 2004
<hr/>		<hr/>
James M. Gasior		Date

INDEX TO EXHIBITS

The following exhibits are filed or incorporated by reference as part of this report:

- 3.i. Articles of Incorporation of the Corporation as currently in effect and any amendments thereto, (incorporated by reference to Registrant's Registration Statement on Form S-3 filed on October 28, 1993, exhibit A).
- 3.ii. Bylaws and/or Code of Regulations of the Corporation as currently in effect (incorporated herein by reference to Registrant's Registration Statement on Form S-3 on October 28, 1993, exhibit B).
- 4 The rights of holders of equity securities are defined in portions of the Articles of Incorporation and Bylaws as referenced in 3.1. and 3.2.
- 11 Statement regarding computation of earnings per share (filed herewith).
- 13 Annual Report to security holders (filed herewith).
- 21 Subsidiaries of the Registrant (filed herewith).
- 23 Consents of experts and counsel – Consent of independent accountants (filed herewith).
- 31.1 CEO certification (Filed herewith)
- 31.2 CFO certification (Filed herewith)
- 32 Certifications of Chief Executive Officer and Chief Financial Officer required under Section 906 of Sarbanes-Oxley Act of 2002(filed herewith).

Copies of any exhibits will be furnished to shareholders upon written request. Requests should be directed to Lawrence A. Fantauzzi, Secretary, Cortland Bancorp, 194 West Main Street, Cortland, Ohio 44410.